

~~permits shall be included in the cost of the work for which the privileges or permits are obtained, except for costs includable in Account 2111, Land, and Account 2690, Intangible~~

~~(viii) "Taxes" includes taxes properly includable in construction costs before the facilities are completed for service, which taxes are assessed separately from taxes on operating property or under conditions that permit separate identification of the amount chargeable to construction.~~

~~(ix) "Special machine service" includes the cost of labor expended, materials and supplies consumed and other expenses incurred in the maintenance, operation and use of special and other labor saving machines (other than transportation equipment) such as trenching equipment, cable plows and pole setting trucks. Also included are expenditures for rental, maintenance and operation of such machines owned by others. When a construction job requires the purchase of special machines, the cost thereof, less the appraised or salvage value at the time of release from the job, shall be included in the cost of construction.~~

~~(x) Allowance for funds used during construction ("AFUDC") provides for the cost of financing the construction of telecommunications plant. AFUDC shall be charged to Account 2003, Telecommunications Plant Under Construction, and credited to Account 7340. The rate for calculating AFUDC shall be determined as follows: If financing plans associate a specific new borrowing with an asset, the rate on that borrowing may be used for the asset; if no specific new borrowing is associate with an asset or if the average accumulated expenditures for the asset exceed the amounts of specific new borrowing associated with it, the capitalization rate to be applied to such excess shall be a weighted average of the rates applicable to other borrowing of the enterprise. The amount of interest costs capitalized in an accounting period shall not exceed the total amount of interest cost incurred by the company in that period.~~

~~(xi) "Insurance" includes premiums paid specifically for protection against loss and damage in connection with the construction of telecommunications plant due to fire or other casualty, injury to or death of employees or others, damages to property of others, defalcations of employees and agents, and the nonperformance of contractual obligations of others.~~

~~(xii) "Construction services" include the cost of telephone, electricity, power, construction quarters, office space and equipment directly related to the construction project.~~

~~(xiii) "Indirect construction costs" shall include indirect costs such as general engineering, supervision and support. Such costs, in addition to direct supervision, shall include indirect plant operations and engineering supervision up to, but not including, supervision by executive officers whose pay and expenses are chargeable to Account 6711, Executive. The records supporting the entries for indirect construction cost shall be kept so as to show the nature of the expenditures, the individual jobs and accounts charged, and the bases of the distribution. The amounts charged to each plant account for indirect costs shall be readily determinable. The instructions contained herein shall not be interpreted as permitting the addition to plant of amounts to cover indirect costs based on arbitrary allocations.~~

~~(xiv) The cost of construction shall not include any amounts classifiable as Corporate Operations Expense.~~

(d) Telecommunications plant retired

(1) Telecommunications plant accounts shall at all times disclose the original cost of all property in service. When any item of property subject to plant retirement accounting is worn out, lost, sold, destroyed, abandoned, surrendered upon lapse of title, becomes permanently unserviceable, is withdrawn or for any other reason is retired from service, the plant accounts applicable to that item shall be credited with the original cost of the plant retired whether replaced or not (except as provided for minor items) ~~in paragraph (d)(2)(ii) of this section). Normally, these retirements credits with respect to such plant as entire buildings, entire central offices, all plant abandoned and any large sections of plant withdrawn from service, shall be entered in the accounts for the month in which use of the property ceased. For any other plant withdrawn from service, the retirement credits shall be entered no later than the next succeeding month. Literal compliance with the provision for timing of entries with respect to property amounting to less than \$50,000 retired under any one project is not required if an unreasonable amount of recordkeeping and estimating of quantities, original costs and salvage is necessary. The retirement entry shall refer to the continuing property record, or records supplemental thereto, from which the cost was obtained (note also paragraph (d)(3) of this section). Every company shall establish procedures which will ensure compliance with these requirements.~~

(2) To avoid undue refinement, depreciable telecommunications plant shall be accounted for as follows:

~~(i) Retirement units: This group includes major items of property, a representative list of which shall be prescribed by this Commission. In lieu of the retirement units prescribed with respect to a particular account, a company may, after obtaining specific approval by this Commission, establish and maintain its own list of retirement units for a portion or all of the plant in any such account. For items included on the retirement units list, the original cost of Depreciation, whether or not replaced. The original cost of retirement units installed in place of property retired shall be charged to the applicable telecommunications plant account.~~

~~(ii) Minor items: This group includes any part or element of plant which is not designated as a retirement unit. The original cost of a minor item of property when included in the specific or average cost for a retirement unit or units requires no separate credit to the telecommunications plant account when such a minor item is retired. The cost of replacement shall be charged to the account applicable for the cost of repairs of the property. However, if the replacement effects a substantial betterment (the primary aim of which is to make the property affected more useful, of greater durability, of greater capacity or more economical in operation), the excess cost of such a replacement, over the estimated cost at the then current prices of replacement without betterment of the minor items being retired, shall be charged to the applicable telecommunications plant account.~~

~~(3) The cost of property to be retired shall be the amount at which property is included in the telecommunications plant accounts. However, when it is impracticable to determine the cost of each item due to the relatively large number or small cost of such items, the average cost of all the items covered by an appropriate subdivision of the account shall be used in determining the cost to be assigned to such items when retired. The method used in determining average cost must give due regard to the quantity, vintage, size and kind of items, the area in which they were installed and their classification in other respects. Average cost may be applied in retirement of such items as poles, wire, cable, cable terminals, conduit~~

~~and booths. Any company may use average cost of property installed in a year or band of years as approved by the Commission. It should be understood, however, that the use of average costs shall not relieve the company of the requirement for maintaining its continuing property records to show, where practicable, dates of installation and removal for purposes of mortality studies. (See § 32.2000(f) of this subpart, Standard Practices for Establishing and Maintaining Continuing Property Records.)~~

(2) ~~(4)~~ The accounting for the retirement of property, plant and equipment shall be as provided above except:

(i) Minor Items: This group includes any part or element of plant which is not designated as a retirement unit. However, if the replacement effects a substantial betterment (the primary aim of which is to make the property affected more useful, of greater durability, of greater capacity, or more economical in operation), the excess cost of such a replacement, over the estimated cost at the then current prices of replacement without betterment of the minor items being retired, shall be charged to the applicable telecommunications plant account.

(ii) ~~(i)~~ Amounts included in Account 2005, Telecommunications Plant Adjustment; Account 2680, Amortizable Tangible Assets; ~~Account 2681, Capital Leases; Account 2682, Leasehold Improvements; Account 2690, Intangibles;~~ and any amounts associated with amortizable leaseholds, easements; and similar rights in land included in Account 2111, Land shall be debited, as appropriate, to Accounts 3410, 3420, 3500, or 3600, and credited to the applicable accounts.

(ii) Amounts in Account 2111, Land, and amounts for works of art recorded in Account 2122, Furniture, shall be treated at disposition as a gain or loss and shall be credited or debited to Account 7150, Gains and Losses from Disposition of Land and Artwork, as applicable. If land or artwork is retained by the company and held for sale, the cost shall be charged to Account 2006, Nonoperating Plant.

(3) ~~(5)~~ When the telecommunications plant is sold together with traffic associated therewith, the original cost of the property shall be credited to the applicable plant accounts and the estimated amounts carried with respect thereto in the accumulated depreciation and amortization accounts shall be charged to such accumulated accounts. The difference, if any between the net amount of such debit and credit items and the consideration received (less commissions and other expenses of making the sale) for the property shall be included in Account 7350, Gains and Losses from Disposition of Certain Property. The accounting for depreciable telecommunications plant sold without the traffic associated therewith shall be in accordance with the accounting provided in § 32.3100(c) of this subpart.

~~(e) Basic property records~~

~~(1) The basic property records are that portion of the local property accounting system which preserves the following detailed information:~~

~~(i) The identity, vintage, location and original cost of units of property;~~

~~(ii) Original and ongoing transactional data (plant account activity) in terms of such units ; and~~

~~(iii) Any other specific financial and cost accounting information not properly warranting separate disclosure as an account or subaccount but which is needed to support regulatory, cost, tax, management and other specific accounting information needs and requirements.~~

(e) ~~(2)~~ The basic property records must be

(i) subject to internal accounting controls,

(ii) auditable,

(iii) equal in the aggregate to the total investment reflected in the financial property control accounts as well as the total of the cost allocations supporting the determination of cost-of-service at any particular point in time, and

(iv) maintained throughout the life of the property.

~~(3) The basic property records shall consist of~~

~~(i) continuing property records and~~

~~(ii) records supplemental thereto which together reveal clearly, by accounting area, the detailed and systematically summarized information necessary to meet fully the requirements of paragraphs (e)(1) and (e)(2) of this section.~~

~~(4) Companies shall establish and maintain basic property records for each class of property recorded in the several plant accounts which comprise the balance sheet- Account 2001, Telecommunications Plant In Service, Account 2002, Property Held for Future Telecommunications Use, and Account 2006, Nonoperating Plant.~~

~~(5) The company shall notify the Commission of a plan for the basic property record as follows:~~

~~(i) Not later than June 30 of the year following that in which it becomes subject to this system of accounts, the company shall file with the Commission two (2) copies of a complete plan of the method to be used in the compilation of a basic property record with respect to each class of property. The plan shall include a list of proposed accounting areas accompanied by description of the boundaries of each area as defined in accordance with the requirements of § 32.2000(f)(1) (i) and (ii) of this subpart. The plan shall also include a list of property record units proposed for use under each regulated plant account. These property record units shall be selected such that the requirements of § 32.2000 (f)(2) (i), (ii) and (iii) of this subpart can be satisfied.~~

~~(ii) The company shall submit to the Commission one copy of any major proposed changes in its basic property record plan at least 30 days before the effective date of the proposed changes.~~

~~(6) The company shall prepare and maintain the basic property record as follows:~~

~~(i) Not later than June 30 of the year following that in which the company becomes subject to this system of accounts, begin the preparation of a basic property record.~~

~~(ii) Complete within two years of the prescribed beginning date, basic property records for all property as of the end of the preceding calendar year.~~

~~(iii) Promptly process in the basic property records all property changes affecting periods subsequent to initial establishment of the basic property record.~~

~~(7) The basic property record components (see paragraph (c) above) shall be arranged in conformity with the regulated plant accounts prescribed in this system of accounts as follows:~~

~~(i) The continuing property records shall be compiled on the basis of original cost (or other book cost consistent with this system of accounts). The continuing property records shall be maintained as prescribed in § 32.2000(f)(2)(iii) of this subpart in such manner as will meet the following basic objectives:~~

~~(A) Provide for the verification of property record units by physical examination.~~

~~(B) Provide for accurate accounting for retirements.~~

~~(C) Provide data for use in connection with depreciation studies.~~

~~(ii) The records supplemental to the continuing property records shall disclose such service designations, usage measurement criteria, apportionment factors, or other data as may be prescribed by the Commission in this Part or other Parts of its Rules and Regulations. Such data are subject to the same general controls and standards for auditability and support as are all other elements of the basic property records.~~

~~(f) Standards practices for establishing and maintaining continuing property records~~

~~(1) Accounting area. Property records shall be maintained by original cost where appropriate. Otherwise averaging or estimates as described below shall be used.~~

~~(i) The continuing property record, as related to each primary plant account, shall be established and maintained by subaccounts for each accounting area. An accounting area is the smallest territory of the company for which accounting records of investment are maintained for all plant accounts within the area. Areas already established for administrative, accounting, valuation, or other purposes may be adopted for this purpose when appropriate. In no case shall the boundaries of accounting areas cross either State lines or boundaries prescribed by the Commission.~~

~~(ii) In determining the limit of each area consideration shall be given to the quantities of property, construction conditions, operating districts, county and township lines, taxing district boundaries, city limits, and other political or geographical limits, in order that the area adopted may have maximum adaptability, within the confines of practicability, for both the company's purpose and those of Federal, State, and municipal authorities.~~

~~(2) Property record units.~~

~~(i) In each of the established accounting areas, the "property record units" which are to be maintained in the continuing property record shall be set forth separately, classified by size and type with the amount of original cost (or other appropriate book cost) associated with such units. When a list of property record units has been accepted by the Commission, they shall become the units referred to in this statement of standard practices. Such units shall apply to only the regulated portion of this system of accounts.~~

~~(ii) When it is found necessary to revise this list because of the addition of units used in providing new types of service, or new units resulting from improvements in technology, or because of the grouping or elimination of units which no longer merit separate recognition as property record units, one copy of such changes shall be submitted to the Commission. Upon appropriate showing by the company, the Commission may specifically exempt the company from these filing requirements.~~

~~(iii) The continuing property record shall reveal the description, location, date of placement, the essential details of construction, and the original cost (note also § 32.2000(f)(3) of this subpart) of the property record units. The continuing property record and other underlying records of construction costs shall be so maintained that, upon retirement of one or more retirement units or of minor items without replacement when not included in the costs of retirement units, the actual cost or a reasonably accurate estimate of the cost of the plant retired can be determined.~~

~~(3) Methods of determining original cost of property record units. The original cost of the property record units shall be determined by analyses of the construction costs incurred as shown by completion reports and other data, accumulated in the respective construction work orders or authorization. Costs shall be allocated to and associated with the property record units to facilitate accounting for retirements. The original cost of property record units shall be determined by unit identification or averaging as described in paragraphs (f)(3)(i) and (ii) of this section.~~

~~(i) Unit identification. Cost shall be identified and maintained by specific location for property record units contained within certain regulated plant accounts or account groupings such as Land, Buildings, Central Office Switching, Central Office Network Management, Motor Vehicles, Garage Work Equipment, and Furniture. In addition, units involved in any unusual or special type of construction shall be recorded by their specific location costs (note also paragraph § 32.2000(f)(3)(ii)(B) of this subpart.~~

~~(2) (ii) Averaging.~~

~~(A) Average costs may be developed for plant consisting of a large number of similar units such as terminal equipment, poles, wire, cable, cable terminals, conduit, furniture, and work equipment. Units of similar size and type within each specified accounting area and regulated plant account may be grouped. Each such average cost shall be set forth in the continuing property record of the units with which it is associated.~~

~~(B) The averaging of costs permitted under the provisions of the foregoing paragraph is restricted to plant installed in a particular vintage or band of years incurred within an accounting area. This paragraph does not permit the inclusion of the cost of units involved in any unusual or special type of construction. The units involved in such unusual or special type of construction shall be recorded at cost by location.~~

(3) ~~(4)~~ Estimates. In cases where the actual original cost of property cannot be ascertained, such as pricing an inventory for the initial entry of a continuing property record or the pricing of an acquisition for which the continuing property record has not been maintained, the original cost may be estimated. Any estimated original cost shall be consistent with the accounting practices in effect at the time the property was constructed.

~~(5) Identification of property record units. There shall be shown in the continuing property record or in record supplements thereof, a complete description of the property records units in such detail as to identify such units. The description shall include the identification of the work order under which constructed, the year of installation (unless not determinable per § 32.2000(f)(4) of this subpart, specific location of the property within each accounting area in such manner that it can be readily spot checked for proof of physical existence, the accounting company's number or designation, and any other description used in connection with the determination of the original cost. Descriptions of units of similar size and type shall follow prescribed groupings.~~

~~(6) Reinstalled units. When units to which average costs are not applied, i.e., specific and fixed location units, are removed or retired and subsequently reinstalled, the date when the unit was first charged to the appropriate plant account shall, when required for adequate service life studies and reasonably accurate retirement accounting, be shown in addition to the date of reinstallation.~~

~~(7) Age and service life of property. The continuing property record shall disclose the age of existing property and the supporting records shall disclose the service life of property retired. Exceptions from this requirement for any property record unit shall be submitted to the Commission for approval.~~

~~(8) Reference to sources of information. There shall be shown by appropriate reference the source of all entries. All drawings, computations, and other detailed records which support quantities and costs of estimated costs shall be retained as a part of on in support of the continuing property record.~~

~~(9) Jointly owned property.~~

~~(i) With respect to jointly owned property, there shall be shown in the continuing property record or records supplemental thereto:~~

~~(A) The identity of all joint owners.~~

~~(B) The percentage owned by the accounting company.~~

~~(ii) When regulated plant is constructed under arrangements for joint ownership, the amount received by the construction company from the other joint owner or owners shall be credited as a reduction of the gross cost of the plant in place.~~

~~(iii) When a sale of a part interest in regulated plant is made, the fractional interest sold shall be treated as a retirement and the amount received shall be treated as salvage. The continuing property record or records supplemental thereto shall be so maintained as to identify separately retirements of this nature from physical retirements of jointly owned plant.~~

~~(iv) If jointly owned regulated property is substantial in relation to the total of the same kind of regulated property owned wholly by the company, such jointly owned regulated property shall be appropriately segregated in the continuing property record.~~

(g) Depreciation accounting

(1) Computation of depreciation rates.

~~(i) Unless otherwise provided by the Commission, either through prior approval or upon prescription by the Commission, depreciation percentage and/or amortization rates shall be computed in conformity with a group plan of accounting for depreciation and shall be such that the loss in service value of the property, except for losses excluded under the definition of depreciation, may be distributed under the straight-line method during the service life of the property.~~

~~(ii) In the event any composite percentage rate becomes no longer applicable, revised composite percentage rates shall be computed in accordance with subparagraph (i) of this section.~~

~~(iii) The company shall keep such records of property and property retirements as will allow the determination of the service life of property which has been retired, or facilitate the determination of service life indications by mortality, turnover, or other appropriate methods. Such records will also allow the determination of the percentage of salvage value and cost of removal for property retired from each class of depreciable plant.~~

(2) Depreciation charges.

(i) A separate annual percentage rate for each depreciation category of telecommunications plant shall be used in computing depreciation charges. *Exceptions will be in accordance with (iii) below.*

~~(ii) Companies, upon receiving prior approval from this Commission, or upon prescription by this Commission, shall apply such depreciation rate, except where provisions of paragraph (g)(2)(iv) of this paragraph apply, as will ratably distribute on a straight line basis the difference between the net book cost of a class or subclass of plant and its estimated net salvage during the known or estimated remaining service life of the plant.~~

~~(ii) (iii) Charges for currently accruing depreciation shall be made monthly to the appropriate depreciation accounts, and corresponding credits shall be made to the appropriate depreciation reserve accounts. Current monthly charges shall normally be computed by the application of one twelfth of the annual depreciation rate to the monthly average balance of the associated category of plant. The average monthly balance shall be computed using the balance as of the first and last days of the current month.~~

~~(iii) (iv) In certain circumstances and upon prior approval of this Commission, monthly charges may be determined in total or in part through the use of other amortization methods whereby selected plant balances or portions thereof are ratably distributed over appropriate periods prescribed by this Commission. Such circumstances could include but not be limited to factors such as the existence of reserve deficiencies or surpluses, types of plant that will be completely retired in the near future, and changes in the accounting for plant. Where alternative methods have been used in accordance with this subparagraph, such~~

~~amounts shall be applied separately or in combination with rates determined in accordance with paragraph (g)(2)(ii) of this section.~~

~~(3) Acquired depreciable plant. When acquired depreciable plant carried in Account 1439, Deferred Charges, is distributed to the appropriate plant accounts, adjusting entries shall be made covering the depreciation charges applicable to such plant for the period during which it was carried in Account 1439.~~

~~(4) Plant Retired for Nonrecurring Factors not Recognized in Depreciation Rates.~~

~~(i) A retirement will be considered as nonrecurring (extraordinary) only if the following criteria are met:~~

~~(A) The impending retirement was not adequately considered in setting past depreciation rates.~~

~~(B) The charging of the retirement against the reserve will unduly deplete that reserve.~~

~~(C) The retirement is unusual such that similar retirements are not likely to recur in the future.~~

~~5) Upon direction or approval from this Commission, the company shall credit Account 3100, Accumulated Depreciation, and Charge Account 1438, Deferred Maintenance and Retirements, with the unprovided for loss in service value. Such amounts shall be distributed from Account 1438 to Account 6561, Depreciation Expense Telecommunications Plant in Service, or Account 6562, Depreciation Expense Property Held for Future Telecommunications Use, over such period as this Commission may direct or approve.~~

~~(h) Amortization accounting~~

~~(1) Unless otherwise provided by this Commission, either through approval, or upon prescription by this Commission, amortization shall be computed on the straight line method, i.e., equal annual amounts shall be applied. The cost of each type of asset shall be amortized on the basis of the estimated life of that asset and shall not be written off in the accounting period in which the asset is acquired. A reasonable estimate of the useful life may be based on the upper or lower limits even though a fixed existence is not determinable. However, the period of amortization shall not exceed forty years.~~

~~(2) In the event any estimated useful life becomes no longer applicable, a revised estimated useful life shall be determined in accordance with paragraph (h)(1) of section.~~

~~(3) Amortization charges shall be made monthly to the appropriate amortization expense accounts and corresponding credits shall be made to the appropriate amortization reserve accounts. Monthly charges shall be computed by the application of one twelfth to the annual amortization amount.~~

~~(4) The company shall keep such records as will allow the determination of the useful life of the asset.~~

~~(i) Accounting for software The original cost of initial operating system software for computers shall be classified to the same account as the associated hardware whether acquired separately or in conjunction with the associated hardware.~~

(j) Plant Accounts to be Maintained by Class A and Class B telephone companies as indicated:

<u>Account Title</u>	<u>Class A Account</u>	<u>Class B Account</u>
REGULATED PLANT		
Property, plant and equipment:		
Telecommunications plant in service	2001 ¹	2001 ¹
Property held for future telecommuni- cations use	2002	2002
Telecommunications plant under construction - short term	2003	2003
Telecommunications plant under construction - long term	2004	2004
Telecommunications plant adjustment	2005	2005
Nonoperating plant	2006	2006
Goodwill	2007	2007
TELECOMMUNICATIONS PLANT IN SERVICE (TPIS)		
TPIS - General support assets:		
Land and support assets		2110
Land	2111	
Motor vehicles	2112	
Aircraft	2113	
Special purpose vehicles	2114	
Garage work equipment	2115	
Other work equipment	2116	
Buildings	2121	
Furniture	2122	
Office equipment	2123	
General purpose computers	2124	
TPIS - Central office assets:		
Central office-switching		2210
Analog electronic switching	2211	
Digital electronic switching	2212	
Electro-mechanical switching	2215	
Operator systems	2220	2220
Central office-transmission		2230
Radio systems	2231	
Circuit equipment	2232	

¹ Balance sheet summary account only

<u>Account Title</u>	<u>Class A Account</u>	<u>Class B Account</u>
TPIS Information origination/termination assets:		
Information origination/termination		2310
Station apparatus	2311	
Customer premises wiring	2321	
Large private branch exchanges	2341	
Public telephone terminal equipment	2351	
Other terminal equipment	2362	
TPIS Cable and wire facilities assets:		
Cable and wire facilities		2410
Poles	2411	
Aerial cable	2421	
Underground cable	2422	
Buried cable	2423	
Submarine cable	2424	
Deep sea cable	2425	
Intrabuilding network cable	2426	
Aerial wire	2431	
Conduit systems	2441	
TPIS Amortizable assets		
Amortizable tangible assets		2680
Capital leases	2681	
Leasehold improvements	2682	
Intangibles	2690	2690

§ 32.2001 Telecommunications plant in service.

This account shall include the original cost of the investment included in Accounts 2110 through 2690.

§ 32.2002 Property held for future telecommunication use.

(a) This account shall include the original cost of property owned and held for no longer than two years under a definite plan for use in telecommunications service. If at the end of two years the property is not in service, the original cost of the property shall be transferred to Account 2006, Nonoperating Plant.

(b) Should a carrier desire to retain the property in this account for a period longer than two years, ~~it shall request approval of this~~ *the Commission staff must be notified.* The ~~request notification~~ should include the property item in question, ~~demonstrate that the waiver is in the public interest,~~ and indicate, as precisely as possible, the additional time required for the property to be held in this account.

(c) ~~Subsidiary records shall be maintained to show the character of the amounts carried in this account.~~

§ 32.2003 Telecommunications plant under construction.

(a) This account shall include the original cost of construction projects. ~~(Note also §32.2000(c)).~~

(b) When any telecommunications plant, the cost of which has been included in this account, is completed ready for service, the cost thereto shall be credited to this account, and charged to the appropriate telecommunications plant or other accounts.

(c) if a construction project has been suspended ~~for six months or more~~, the cost of the project included in this account shall be transferred to account 2006, nonoperating plant, without further direction or approval of this commission. If a project is abandoned, the cost included in this account shall be charged to account ~~7370, SPECIAL CHARGES.~~ *7300, Nonoperating Income and Expense.*

§ 32.2004 [Removed]

§ 32.2005 Telecommunications plant adjustment.

(a) This account shall include amounts ~~determined in accordance with paragraph §32.2000(b) of this subpart~~ representing the difference between:

(1) the fair market value of the telecommunications plant acquired, plus preliminary expenses incurred in connection with the acquisition; and

(2) the original cost of such plant, governmental franchises and similar rights acquired, less the amounts of reserve requirements for depreciation and amortization of the property acquired. If the actual original cost is not known, the entries in this account shall be based upon an estimate of such costs.

(b) The amounts recorded in this account with respect to each property acquisition (except land and artworks) shall be disposed of, written off, or provision shall be made for the amortization thereof, as follows: § 32.2005 Telecommunications plant adjustment.

(1) Debit amounts may be charged to Account ~~7370, Special Charges,~~ *7300 Nonoperating Income and Expense*, in whole or in part, or amortized over a reasonable period ~~through charges to Account 7360, Other Nonoperating Income,~~ without further direction or approval by this Commission. When specifically approved by this Commission, or when the provisions of paragraph (b)(3) of this section apply, debit amounts shall be amortized to Account ~~6565, Amortization Expense-Other.~~ *6560 Depreciation and Amortization Expense.*

(2) Credit amounts shall be disposed of in such manner as this Commission may approve or direct, except for credit amounts referred to in paragraph (b)(3) of this section.

(3) Within one year from the date of inclusion in this account of a debit or credit amount with respect to a current acquisition, the company may dispose of the total amount from an acquisition of telephone plant by a lump-sum charge or credit, as appropriate, to Account ~~6565~~ *6560* without further approval of this Commission, provided that such amount does not exceed \$100,000 and that the plant was not acquired from an affiliated company

§ 32.2006 Nonoperating plant.

(a) This account shall include the company's investment in regulated property which is not includable in the plant accounts as operating telecommunications plant. It shall include the company's investment in telecommunications property held for sale. (Note also Account 1406, Nonregulated Investments.)

~~(b) Subsidiary records shall be maintained to show the character of the amounts carried in this account.~~

§ 32.2007 Goodwill.

(a) This account shall include any portion of the plant purchase price that cannot be assigned to specifically identifiable property acquired and such amount should be identified as "goodwill". Such amounts included in this account shall be amortized to Account ~~7360, Other Nonoperating Income 7300, Nonoperating Income and Expense~~, on a straight line basis over the remaining life of the acquired plant, not to exceed 40 years.

(b) the amounts included in this account shall be maintained to show the nature of each amount.

§ 32.2110 Land and support assets.

This account shall be used ~~by Class B companies~~ to record the original cost of land and support assets of the type and character required *listed below* ~~of Class A companies in Accounts 2111 through 2124.~~

~~§ 32.2111 Land.~~

~~(a)~~ This account shall include the original cost of all land held in fee and of easements, and similar rights in land having a term of more than one year used for purposes other than the location of outside plant (See Accounts ~~2411 through 2441-2410~~) or externally mounted central office equipment (see Accounts ~~2211 and 2212-2210~~). It shall also include special assessments upon land for the construction of public improvements.

~~(b) When land, together with buildings thereon, is acquired, the original cost shall be fairly apportioned between the land and the buildings and accounted for accordingly. If the plan of acquisition contemplates the removal of buildings, the total cost of the land and buildings shall be accounted for as the cost of the land, and the salvage value of the buildings when disposed of shall be deducted from the cost of the land so determined.~~

~~(c) Annual or more frequent payments for use of land shall be recorded in the rent subsidiary record category for Account 6121, Land and Building Expense~~

~~(d)~~ When land is acquired for which there is not a definite plan for its use in telecommunications service, its costs shall be included in Account 2006, Nonoperating Plant.

~~(e)~~ When land is acquired in excess of that required for telecommunications purposes, the cost of such excess land shall be included in Account 2006.

~~(f)~~ Installments of assessments for public improvement, including interest, if any, which are deferred without option to the company shall be included in this account only as they become due and payable. Interest on assessments which are not paid when due shall be included in Account ~~7540, Other Interest Deductions-7500, Interest and Related Items.~~

~~(g)~~ When land is purchased for immediate use in a construction project, its cost shall be included in Account 2003, Telecommunications Plant Under Construction-Short Term, or Account 2004, Telecommunications Plant Under Construction-Long Term, as appropriate, until such time as the project involved is completed and ready for service.

~~(h) The original cost of leaseholds, easements, rights of way, and similar rights in land having a term of more than one year and not includable in Account 2111 shall be included in the accounts for outside plant or externally mounted central office equipment in connection with which the rights were acquired.~~

~~§ 32.2112 Motor vehicles.~~

This account shall include the original cost of motor vehicles of the type which are designed and routinely licensed to operate on public streets and highways.

~~§ 32.2113 Aircraft.~~

This account shall include the original cost of aircraft and any associated equipment and furnishings installed as an integral part of the aircraft.

~~§ 32.2114 Special purpose vehicles.~~

This account shall include the original cost of special purpose vehicles.

~~§ 32.2115 Garage work equipment.~~

This account shall include the original cost of tools and equipment *including* ~~used to maintain items included in Accounts 2112 through 2116~~

~~§ 32.2116 Other work equipment.~~

~~This account shall include~~ the original cost of power operated equipment, general purpose tools and other items of work equipment.

~~§ 32.2121 Buildings.~~

(a) This account shall include the original cost of buildings, and the cost of all permanent fixtures, machinery, appurtenances and appliances installed as a part thereof. It shall include costs incident to the construction or purchase of a building and to securing possession and title.

~~(b) When land, together with the buildings thereon, is acquired, the original cost shall be fairly apportioned between the land and buildings, and the amount applicable to the buildings shall be included in this account. The amount applicable to the land shall be included in Account 2111, Land.~~

(c) This account shall not include the cost of any telephone equipment or wiring apparatus for generating or controlling electricity for operating the telephone system.

~~§ 32.2122 Furniture.~~

This account shall include the original cost of furniture in offices, storerooms, shops, and all other quarters. This account shall also include the cost of objects which possess aesthetic value, are of original or limited edition, and do not have a determinable useful life. ~~The cost of any furniture attached to and constituting a part of a building shall be charged to Account 2121, Buildings.~~

~~§ 32.2123 Office equipment.~~

(a) This account shall include the original cost of office equipment in offices, shops and all other quarters. ~~The cost of any equipment attached to and constituting a part of a building shall be charged to Account 2121, Buildings.~~

(b) ~~Office equipment shall be maintained by the following subaccounts:~~

~~2123.1 Office Support Equipment~~

~~2123.2 Company Communications Equipment~~

~~32.2124 General purpose computers.~~

(a) This account shall include the original cost of computers and peripheral devices ~~which are designed to perform general administrative information processing activities.~~

(b) ~~Administrative information processing includes but is not limited to activities such as the preparation of financial, statistical, or other business analytical reports; preparation of payroll customer bills, and cash management reports, and other records and reports not specifically designed for testing, diagnosis, maintenance or control of the telecommunications network facilities.~~

(c) ~~This account shall include the original cost of initial operating system software for computers classifiable to this account whether acquired separately or in conjunction with associated hardware.~~

(d) ~~This account does not include the cost of computers, their associated peripheral devices, and their operating system software associated with switching, network signaling, network operations or other specific telecommunications plant. Such computers, peripherals, and software shall be classified to the appropriate switching, network signaling, network expense, or other plant account.~~

§ 32.2210 Central office - switching.

This account shall be used ~~by Class B companies~~ to record the original cost of switching assets of the type and character ~~required of Class A companies in Accounts 2211 through 2215 listed below.~~

~~§ 32.2211 Analog electronic switching.~~

(a) This account shall include the original cost of stored program control analog circuit-switching and associated equipment. This account shall also include the cost of remote analog electronic circuit switches.

(b) ~~Switching plant excludes switchboards which perform an operator assistance function and equipment which is an integral part thereof. It does not exclude equipment used solely for the recording of calling telephone numbers in connection with customer dialed charged traffic, dial tandem switchboards and special service switchboards used in conjunction with private line service; such equipment shall be classified to the particular switch that it serves.~~

~~§ 32.2212 Digital electronic switching.~~

(a) This account shall include the original cost of stored program control digital switches and their associated equipment. Included in this account are digital switches which utilize either dedicated or non-dedicated circuits. This account shall also include the cost of remote digital electronic switches.

~~(b) Switching plant excludes switchboards which perform an operator assistance function and equipment which is an integral part thereof. It does not exclude equipment used solely for the recording of calling telephone numbers in connection with customer dialed charged traffic, dialed tandem switchboards and special service switchboards used in conjunction with private line service; such equipment shall be classified to the particular switch that it serves.~~

~~§ 32.2215 Electro-mechanical switching.~~

~~(a) This account shall include the original cost of non-electronic circuit-switching equipment. The investment in electro-mechanical switching equipment shall be maintained in the following subaccounts:~~

~~2215.1 Step-by-Step Switching~~

~~2215.2 Crossbar Switching~~

~~2215.3 Other Electro-Mechanical Switching~~

~~(b) 2215.1 Step-by-step switching. This subaccount shall include the original cost of step-by-step and associated circuit-switching equipment.~~

~~(c) 2215.2 Crossbar switching. This subaccount shall include the original cost of crossbar and associated circuit-switching equipment. Also included in this account is the cost of electronic translator system equipment used in switching.~~

~~(d) 2215.3 Other electro-mechanical switching. This subaccount shall include the original cost of all other types of non-electronic circuit-switching equipment such as panel systems and their associated circuit-switching equipment.~~

~~(e) Switching plant excludes switchboards which perform an operator assistance function and equipment which is an integral part thereof. It does not exclude equipment used solely for the recording of calling telephone numbers in connection with customer dialed charged traffic, dial tandem switchboards and special service switchboards used in conjunction with private line service; such equipment shall be classified to the particular switch that it serves.~~

§ 32.2220 Operator systems.

(a) This account shall include the original cost of those items of equipment used to assist subscribers in utilizing the network and equipment used in the provision of directory assistance, call intercept, and other operator assisted call completion activities.

(b) This account does not include equipment used solely for the recording of calling telephone numbers in connection with customer dialed charged traffic, dial tandem switchboards and special service switchboards used in conjunction with private line service; such equipment shall be classified to the particular switch that it serves. *Account 2210, Central Office Switching.*

§ 32.2230 Central office - transmission.

This account shall be used by Class B companies to record the original cost of radio systems and circuit equipment of the type and character required of Class A companies in Accounts 2231 and 2232, listed below.

~~§ 32.2231 Radio systems.~~

(a) This account shall include the original cost of ownership of radio transmitters and receivers. ~~The investment in radio systems shall be maintained in the following subaccounts:~~

~~2231.1 Satellite and Earth Station Facilities~~~~2231.2 Other Radio Facilities~~

~~(b) 2231.1 Satellite and earth station facilities.~~ This subaccount shall include the original cost of ownership interest in satellites (including land-side spares), other spare parts, material and supplies. It shall include launch insurance and other satellite launch costs. This subaccount shall also include the original cost of earth stations and spare parts, material or supplies therefor.

~~(c) 2231.2 Other radio facilities.~~

~~(1) This subaccount shall include the original cost of radio equipment used to provide radio communication channels. Radio equipment is that equipment which is used for the generation, amplification, propagation, reception, modulation, and demodulation of radio waves in free space over which communication channels can be provided. This subaccount shall also include the associated carrier and auxiliary equipment and patch bay equipment which in an integral part of the radio equipment. Such equipment may be located in central office buildings, terminal rooms, or repeater stations or may be mounted on towers, masts or other supports.~~

~~(2) This subaccount shall be maintained in order that the company may separately report the amounts contained herein that relate to cellular radio facilities, non-cellular radio facilities, and terrestrial microwave radio facilities. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.~~

~~§ 32.2232 Circuit equipment.~~

(a) This account shall include the original cost of equipment which is used to reduce the number of physical pairs otherwise required to serve a given number of subscribers by utilizing carrier systems, concentration stages or combinations of both. It shall include equipment that provides for simultaneous use of a number of interoffice channels on a single transmission path. This account shall also include equipment which is used for the amplification, modulation, regeneration, circuit patching, balancing or control of signals transmitted over interoffice communications transmission channels. This account shall include equipment which utilizes the message path to carry signaling information or which utilizes separate channels between switching offices to transmit signaling information independent of the subscribers' communication paths or transmission channels. ~~This account shall also include the original cost of associated material used in the construction of such plant. Circuit equipment may be located in central offices, in manholes, on poles, in cabinets or huts or at other company locations.~~

~~(b) This account excludes carrier and auxiliary equipment and patch bays which are includable in Account 2231.2, Other Radio Facilities. This account also excludes such equipment which is an integral component of a major unit which is classifiable to other accounts.~~

~~(c) Subsidiary record categories shall be maintained in order that the company may separately report the amounts contained herein that relate to digital and analog. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.~~

§ 32.2310 Information origination/termination.

This account shall be used by ~~Class B companies~~ to record the original cost of information origination/termination equipment of the type and character ~~required of Class A companies in Accounts 2311 through 2362, listed below.~~

~~§ 32.2311 Station apparatus.~~

(a) This account shall include the original cost of station apparatus, including teletypewriter equipment, telephone and miscellaneous equipment, small private branch exchanges and radio equipment (excluding mobile), installed for customers' use. ~~Items included in this account shall remain herein until finally disposed of or until used in such manner as to warrant inclusion in other accounts.~~

(b) ~~Each company shall prepare a list of station apparatus which shall be used as its list of disposition units for this account, the cost of which when finally disposed of shall be credited to this account and charged to Account 3100, Accumulated Depreciation.~~

(c) The cost of cross-connection boxes, distributing frames or other distribution points which are installed to terminate intrabuilding network cable shall be charged to Account ~~2426, Intrabuilding Network Cable.~~ *2410, Cable and Wire Facilities.*

(d) Operator head sets and transmitter in central offices and at private branch exchanges, and test sets such as those used by wire chiefs, outside plant technicians, and others shall be included in Account ~~2116, Other Work Equipment~~ *2110, Land and Support Assets* or Account ~~2221 2220~~ Operator Systems, or Account ~~2341, Large Private Branch Exchanges,~~ as appropriate.

(e) Station apparatus for company official use shall be included in Account ~~2123, Office Equipment.~~ *2110, Land and Support Assets.*

(f) ~~An annual inventory. Periodic asset verifications as prescribed by GAAP shall be taken of all station apparatus in stock that are included in this account. The number of such station apparatus items as determined by this inventory, together with number of all other station apparatus items included in this account, shall be compared with the corresponding number of station apparatus items as shown by the respective control records. The original cost of any unreconciled differences thereby disclosed shall be adjusted through Account 3100, Accumulated Depreciation. Appropriate verifications shall also be made at suitable intervals and necessary adjustments between this account and Account 3100 shall be made for all station apparatus included in this account.~~

(g) Items of station apparatus in stock for which no further use in the ordinary conduct of the business is contemplated, but which as a precautionary measure, are held for possible future contingencies instead of being discarded shall be excluded from this account and included in Account 1220, Inventories. (R-5)

~~(h) Embedded CPE is that equipment or inventory which was tariffed or otherwise subject to the jurisdictional separations process as of January 1, 1983.~~

~~§ 32.2321 Customer premises wiring.~~

(a) This account shall include all amounts transferred from the former Account 232, Station Connections, inside wiring subclass.

~~(b) Embedded Customer Premises Wiring is that investment in customer premises wiring equipment or inventory which was capitalized prior to October 1, 1984.~~

~~§ 32.2341 Large private branch exchanges.~~

(a) This account shall include the original cost, including the cost of installation, of multiple manual private branch exchanges and of dial system private branch exchanges of types designed to accommodate 100 or more lines or which can normally be expanded to 100 or more lines, installed for customers' use. This account shall also include the original cost of other large installations of station equipment

(1) which do not constitute stations,

(2) which require special or individual treatment because of their complexity, special design, or other distinctive characteristics, and

(3) for which individual or other specialized cost records are appropriate. ~~(Note also Account 2311, Station Apparatus.)~~

(b) The cost of intrabuilding network cables including their associated cross-connection boxes, terminals, distributing frames, etc., is chargeable to Account ~~2426, Intrabuilding Network Cable.~~ **2410, Cable and Wire Facilities.**

(c) The cost of outside plant, whether or not on private property, used with intrabuilding network cable shall be charged to the appropriate outside plant accounts.

~~(d) [Reserved]~~

~~(e) [Reserved]~~

(f) Private branch exchanges for company official use shall be included in Account ~~2123, Office Equipment~~ **2110, Land and Support Assets.**

(g) Embedded CPE is that equipment or inventory which is tariffed or otherwise subject to the jurisdictional separations process as of January 1, 1983. Inventories of large private branch exchanges equipment are included in Account 1220, Inventories.

~~§ 32.2351 Public telephone terminal equipment.~~

(a) This account shall include the original cost of coinless, coin-operated (including public and semi-public), credit card and pay telephones installed for use by the public.

(b) This account shall also include the original cost of operating spares that are required to provide a continuity of service for public telephones. ~~The operating spares shall not exceed six months' supply in terms of turnover and be available to installers from locations in reasonable proximity to the location of the installed equipment.~~

(c) The original cost of installing public telephone equipment shall not include the labor and minor materials costs of installing the public telephone equipment or premises wiring. These costs as well as the cost of replacing a public telephone shall be charged to Account ~~6351, Public Telephone Terminal Equipment Expense~~ **6310, Information Origination and Termination Expense**. The labor and minor materials costs of removal of public telephones will also be charged to Account ~~6351~~ **6310**.

~~§ 32.2362 Other terminal equipment.~~

(a) This account shall include the original cost of other Non-CPE terminal equipment not specifically provided for elsewhere and items such as specialized communications equipment provided to meet the needs of the disabled, over-voltage protection equipment, multiplexing equipment to deliver multiple channels to customers, etc.

(b) ~~Each company shall prepare a list of other terminal equipment which shall be used as its list of retirement units for this account, the cost of which when finally disposed of shall be credited to this account and charged to Account 3100, Accumulated Depreciation.~~

§ 32.2410 Cable and wire facilities.

This account shall be used ~~by Class B companies~~ to record the original cost of cable and wire facilities of the type and character ~~required of Class A companies in Accounts 2411 through 2441, listed below.~~

~~§ 32.2411 Poles.~~

This account shall include the original cost of poles, crossarms, guys and other material used in the construction of pole lines and shall include the cost of towers when not associated with buildings. This account shall also include the cost of clearing pole line routes and of tree trimming but shall exclude the cost of maintaining previously cleared routes.

~~§ 32.2421 Aerial cable.~~

(a) This account shall include the original cost of aerial cable and of drop and block wires served by such cable or aerial wire as well as the cost of other material used in construction of such plant. ~~Subsidiary record categories, as defined below, are to be maintained for nonmetallic aerial cable and metallic aerial cable.~~

~~(1) Nonmetallic cable. This subsidiary record category shall include the original cost of optical fiber cable and other associated material used in constructing a physical path for the transmission of telecommunications signals.~~

~~(2) Metallic cable. This subsidiary record category shall include the original cost of single or paired conductor cable, wire and other associated material used in constructing a physical path for the transmission of telecommunications signals.~~

(b) The cost of permits and privileges for the construction of cable and wire facilities shall be chargeable with such construction, *included in this account.*

~~§ 32.2422 Underground cable.~~

(a) This account shall include the original cost of underground cable installed in conduit and of other material used in the construction of such plant. ~~Subsidiary record categories, as defined below, are to be maintained for nonmetallic underground cable and metallic underground cable.~~

~~(1) Nonmetallic cable. This subsidiary record category shall include the original cost of optical fiber cable and other associated material used in constructing a physical path for the transmission of telecommunications signals.~~

~~(2) Metallic cable. This subsidiary record category shall include the original cost of single or paired conductor cable, wire and other associated material used in constructing a physical path for the transmission of telecommunications signals.~~

(b) The cost of pumping water out of manholes and of cleaning manholes and ducts in connection with construction work and the cost of permits and privileges for the construction of cable and wire facilities shall be included in the account ~~chargeable with such construction.~~

~~(c) The cost of drop and block wires served by underground cable shall be included in Account 2423, Buried Cable.~~

(d) The cost of cables leading from the main distributing frame or equivalent to central office equipment shall be included in the appropriate switching, transmission or other operations asset account.

~~§ 32.2423 Buried cable.~~

(a) This account shall include the original cost of buried cable as well as the cost of other material used in the construction of such plant. This account shall also include the cost of trenching for and burying cable run in conduit ~~not classifiable to Account 2441, Conduit Systems. Subsidiary record categories, as defined below, are to be maintained for nonmetallic buried cable and metallic buried cable.~~

~~(1) Nonmetallic cable. This subsidiary record category shall include the original cost of optical fiber cable and other associated material used in constructing a physical path for the transmission of telecommunications signals.~~

~~(2) Metallic cable. This subsidiary record category shall include the original cost of single or paired conductor cable, wire and other associated material used in constructing a physical path for the transmission of telecommunications signals.~~

~~(b) The cost of pumping water out of manholes and of cleaning manholes and ducts in connection with construction work and the cost of permits and privileges for the construction of cable and wire facilities shall be included in the account chargeable with such construction.~~

~~§ 32.2424 Submarine cable.~~

~~(a) This account shall include the original cost of submarine cable and other material used in the construction of such plant. Subsidiary record categories, as defined below, are to be maintained for nonmetallic submarine cable and metallic submarine cable.~~

~~_____ (1) Nonmetallic cable. This subsidiary record category shall include the original cost of optical fiber cable and other associated material used in constructing a physical path for the transmission of telecommunications signals.~~

~~_____ (2) Metallic cable. This subsidiary record category shall include the original cost of single or paired conductor cable, wire and other associated material used in constructing a physical path for the transmission of telecommunications signals.~~

~~(b) The cost of permits and privileges for the construction of cable and wire facilities shall be included in the account chargeable with such construction.~~

~~§ 32.2425 Deep sea cable.~~

~~(a) This account includes the original cost of deep sea cable and other material used in the construction of such plant. Subsidiary record categories, as defined below, are to be maintained for nonmetallic deep sea cable and metallic deep sea cable.~~

~~_____ (1) Nonmetallic cable. This subsidiary record category shall include the original cost of optical fiber cable and other associated material used in constructing a physical path for the transmission of telecommunications signals.~~

~~_____ (2) Metallic cable. This subsidiary record category shall include the original cost of single or paired conductor cable, wire and other associated material used in constructing a physical path for the transmission of telecommunications signals.~~

~~_____ (b) The cost of permits and privileges for the construction of cable and wire facilities shall be included in the account chargeable with such construction.~~

~~§ 32.2426 Intrabuilding network cable.~~

(a) This account shall include the original cost of cables and wires located on the company's side of the demarcation point or standard network interface inside subscribers' buildings or between buildings on one customer's same premises. Intrabuilding network cables are used to distribute network access facilities to equipment rooms, cross-connection or other distribution points at which connection is made with customer premises wiring. ~~Subsidiary record categories, as defined below, are to be maintained for nonmetallic intrabuilding network cable and metallic intrabuilding.~~

~~(1) Nonmetallic cable. This subsidiary record category shall include the original cost of optical fiber cable and other associated material used in constructing a physical path for the transmission of telecommunications signals.~~

~~(2) Metallic cable. This subsidiary record category shall include the original cost of single or paired conductor cable, wire and other associated material used in constructing a physical path for the transmission of telecommunications signals.~~

~~(b) The cost of pumping water out of manholes and of cleaning manholes and ducts in connection with construction work and the cost of permits and privileges for the construction of cable and wire facilities shall be included in the account chargeable with such construction.~~

~~(c) Intrabuilding network cable~~ *This account* does not include the cost of cables or wires which are classifiable as network terminating wire, nor the cables or wires from the demarcation point or standard network interface to subscribers' stations.

~~§ 32.2431 Aerial wire.~~

~~(a) This account shall include the original cost of bare line wire and other material used in the construction of such plant.~~

~~(b) The cost of permits and privileges for the construction of cable and wire facilities shall be chargeable with such construction.~~

~~(c) The cost of drop and block wires served by aerial wire shall be included in Account 2421, Aerial Cable.~~

~~§ 32.2441 Conduit systems.~~

(a) This account shall include the original cost of conduit, whether underground, in tunnels or on bridges, which is reusable in place. It shall also include the cost of opening trenches and of any repaving necessary in the construction of conduit plant.

~~(b) The cost of pumping water out of manholes and of cleaning manholes and ducts in connection with construction work and the cost of permits and privileges for the construction of cable and wire facilities shall be chargeable with such construction.~~

~~(c) The cost of protective covering for buried cable shall be charged to Account 2423, Buried Cable, as appropriate, unless such protective covering is reusable in place. The amounts thus charge shall be included in the nonmetallic buried cable or metallic buried cable subsidiary record category, as appropriate.~~

~~(d) The cost of pipes or other protective covering for underground drop and block wires shall be included in Account 2421, Aerial Cable or Account 2423, Buried Cable, as appropriate. The amounts thus charged shall be included in the nonmetallic or metallic subsidiary record category, as appropriate.~~